

COUNCIL ON HOUSING
Public Session
Polytech Adult Education Center
Woodside, Delaware
March 12, 2008

ACTION ITEMS

• **By-Laws Amendment Per Recent Legislation**

On March 12, 2008 Roseann Harkins, Chairperson, called to order the Public Session of the Council on Housing at 2:05 p.m. In addition to Ms. Harkins, the following Council members were present:

Hugh Leahy
Connie Louder
Joseph McDonough

Ruth Sokolowski
Vincent White
Norma Zumsteg

The following Council members were absent and excused from the meeting:

Connie McCarthy
John Walker

The following persons also attended the meeting:

Thomas McGonigle, Esq., Wolf Block Schorr & Solis-Cohen LLP
Saundra Johnson, Director, DSHA
Tim McLaughlin, Deputy Director, DSHA
Jerry Jones, Housing Finance/Development Administrator, DSHA
Lynda Blythe, Administrative Specialist III, DSHA

Guest present:

Gina Miserendino, Delaware Housing Coalition

APPROVAL OF MINUTES

A motion was made by Mr. Leahy to approve the Public Minutes of February 13, 2008, as amended. Seconded by Mr. McDonough, the motion passed. Ms. Zumsteg refrained from voting as she had not attended the meeting.

HDF STATEMENT

Mr. Jones reviewed the attached HDF statement noting:

- Item #116, Interfaith - Southbridge, now appears in the committed column as it had been approved by Council in February.
- Item #117, Connections CSP, Inc. - Marcella's House, DSHA is expecting return of tax credits due to bids received being higher than anticipated funding and operating costs coming in higher. However, Connections may be re-applying in 2008 for a 30-unit project which includes the Marcella's House site.
- Item #82, Chandler Heights I, which had permanent closing on March 12, 2008, returned over \$900,000 to the HDF.

BY-LAWS AMENDMENT PER RECENT LEGISLATION

Using the attached handout, Mr. McGonigle explained the proposed revisions (shown in red and blue) necessary to make the By-Laws consistent with the recently signed SB86. There was discussion among the Council Members as to whether proper notice had been given to vote on the changes. Mr. McGonigle advised the proper notice of the changes had been given and Council could vote on them at this time.

Mr. McGonigle gave a brief review of each of the proposed changes noting the language was based on the new legislation.

- Article I - 'General Assembly' was added to which the Council on Housing will serve in an advisory capacity.
- Article II, Section 1. - Increased the number of members from 9 to 11 and revised the make up of the Council. A quorum is now six members.
- Article II, Section 2. - Granted the Governor ability to suspend or remove a Council Member and added disciplinary hearing requirement prior to suspension or removal of a member.
- Article IV, 1. - Added Council to review and advise on all DSHA programs not just the HDF.
- Article IV, 4. - Added General Assembly and Governor to the section.
- Article IV, 6. - Requirement established that an annual report will be given to the Governor, Housing Director and General Assembly and what the report should contain.

After discussion of the changes, Ms. Sokolowski moved for approval of the amended By-Laws as presented. Ms. Louder seconded the motion and it was unanimously approved.

During the review of the By-Laws, Council Members determined the following items should be directed to the Governance Committee for review and comment:

- What is the procedure for a 'disciplinary hearing' as noted in Article II, Section 2.
- Article V, Section 3 permits removal of an officer by a 2/3 majority vote of members present. Should removal of an officer be by a vote of 2/3 of the entire Council or some other amount?

DIRECTOR'S REPORT

Ms. Johnson stated:

- The Governor had requested a report on what DSHA would be able to accomplish if there was a 3-5% reduction in FY09 funding.
- Due to the uncertainty of the budget, a freeze has been placed on processing non-tax credit applications until at least July.
- Members of the Delaware Housing Coalition, as well as Cathy Gregory and Matt Heckles from DSHA, are meeting today with the Housing Committee, Chaired by Representative Short, to review housing issues.
- Ms. Harkins sent a letter (copy attached) to the Housing Committee apologizing that the Council Members could not attend the Budget review due to the time conflicting with the monthly Council meeting.
- DSHA originally proposed a budget of \$13+million; the currently recommended budget is \$9.3 million and subject to further reduction.
- Last year's budget was \$12+ million.
- Attached is a copy of Wall Street Journal article distributed to the Council entitled "Credit Losses Hurt Low-Income Housing".
- Mr. Jones reported a number of national equity investment firms have withdrawn their commitments for tax credit projects due to the current condition of the financial markets; however, DCIC is still providing a satisfactory equity on their deals and 2008 tax credit projects probably will be using DCIC's equity fund.

SCHEDULING OF NEXT MEETING

The next Council meeting is scheduled for Wednesday, April 9, 2008 at 2:00 p.m. at the Owens campus of Del Tech in Georgetown.

OTHER BUSINESS

- Ms. Harkins asked if there was any news on the proposed appointees. Ms. Johnson replied the Governor was reviewing applications at this time.
- Mr. McDonough requested notice be given regarding various housing meetings or functions that may be of benefit to the Council and asked if those meeting costs could be paid by DSHA.
- Ms. Johnson advised notice of housing events will be given to Council and DSHA will reimburse members for their attendance.
- Mr. Jones noted mileage to attend Council meetings would be reimbursed to any Council Member requesting same.
- Ms. Harkins stated she represented Council at the March 10, 2008 Governor's proclamation for the Village of Eastlake presented to Leon Weiner & Associates and the Wilmington Housing Authority. Mr. White also attended on behalf of Provost Realty.
- Mr. McDonough asked about the legality of conducting Council meetings via teleconference.

Mr. McGonigle responded that as long as proper notice that the meeting would be via teleconference had been given and that the public would be able to hear the meeting, even if a quorum were not in the room but present via teleconference, the meeting could properly be held.

GOVERNANCE COMMITTEE

Ms. Zumsteg made motion to establish a Governance Committee. Prior to establishing such Committee, Council agreed a review of the Committee's purpose should be made. Mr. White began the review stating that he, along with Ms. Sokolowski and Ms. Louder, had been appointed by the Chair previously to organize the Governance Committee. Mr. White reported the proposed Committee had met on several occasions and reviewed the SB86 By-Law changes and prepared the attached Charge of the Governance Committee, including its specific duties, which Mr. White then presented.

The Council agreed, after much discussion, to make the following changes to the Charge:

- Change the wording regarding number of committee members from three to three or more members in the first paragraph.
- Change periodic review to annual review of by-laws in No. 1.
- Replace 'including' with "such as" in No. 5.
- No. 6 should now read: With input from the full Council and/or DSHA staff; identification, development and final recommendations concerning conflict of interest policies and monitoring compliance thereof.

Mr. White made motion and Ms. Louder seconded that a vote be taken for accepting the Charge of the Governance Committee as amended. The motion was passed unanimously.

Mr. McGonigle suggested the Governance Committee review other Council committees and review their charges.

Mr. White requested members submit copies of their organization's conflict of interest policies.

Ms. Harkins suggested the various committee charges be placed at the end of the By-Laws and Ms. Sokolowski suggested the committee will look into creating a policy section in the By-Laws.

Ms. Sokolowski next reviewed the possible changes to the Council's structure and By-Laws as a result of the summary of the Council's retreat held August 9 and 10, 2007 and a subsequent meeting with Dr. Leland. Ms. Sokolowski stated discussion has ensued regarding:

- Establishment of committees.
- Advocacy work.
- Community education.
- Operations committee which would combine the governance and nominating committees.

- Policy engagement regarding whether Council should have a representative be part of the various processes involving DSHA programs, i.e. the Qualified Allocation Plan for tax credits, participating and following the work for the homeless or the development of the consolidated plan, as well as others. These programs provide opportunities for public input but how the Council on Housing would be tied into the various matters should be examined.
- How the Council's annual report will be created and what it would include.

Ms. Harkins asked Ms. Sokolowski to provide the Council with a written copy of these matters for future discussion.

Ms. Sokolowski suggested Council agree on what committees are needed and then establish a By-Laws requirement that each member serve on at least one committee.

The question of whether the Council should be more involved as an advocacy group was discussed. Ms. Zumsteg stated that her employer, PNC Bank, required her to sign a statement regarding lobbying and that it was not allowed. The Council proceeded to discuss the difference between lobbying and advocacy. Mr. Leahy moved that the Governance Committee present to Council ideas related to the creation of a Communications Committee. Mr. White seconded the motion. Ms. Harkins clarified the Governance Committee would present a recommendation to create various committees, including a Communications Committee, that would be incorporated into the By-Laws at some future date. The various committees would be responsible for presenting the actual charge of each respective committee and its duties.

Mr. Jones advised Council there are no projects to be presented for funding at the April meeting.

ADJOURNMENT

Motion for adjournment was made by Ms. Zumsteg and seconded by Mr. McDonough. The motion was unanimously approved and the meeting adjourned at 4:00 p.m.

Respectfully submitted,

Lynda T. Blythe